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United States
Department *of* Defense



Accountability of Night Vision Devices Procured for the
Afghan National Security Forces Needs Improvement

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Acronyms

ANA	Afghan National Army
ANP	Afghan National Police
ANSF	Afghan National Security Forces
CECOM	U.S. Army Communications-Electronics Command
CoreIMSEE	Core Inventory Management System Enterprise Edition
DSCA	Defense Security Cooperation Agency
EUM	End-Use Monitoring
GAO	Government Accountability Office
MoD	Ministry of Defense
MoI	Ministry of Interior
MTSSA	Maintenance Tracking Site System Administration
NTM-A/CSTC-A	North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan
NVD	Night Vision Device
OVERLORD	Operational Verification of Reliable Logistics Oversight Database
SAMM	Security Assistance Management Manual
SCIP	Security Cooperation Information Portal



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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June 18, 2012

MEMORANDUM FOR COMMANDING GENERAL, NORTH ATLANTIC TREATY
ORGANIZATION TRAINING
MISSION-AFGHANISTAN/COMBINED SECURITY
TRANSITION COMMAND-AFGHANISTAN
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
AUDITOR GENERAL, DEPARTMENT OF THE ARMY


SUBJECT: Accountability of Night Vision Devices Procured for the Afghan National Security Forces Needs Improvement (Report No. DODIG-2012-103)

We are providing this report for review and comment. We reviewed DoD, Afghan National Security Forces, and contractor accountability for 7,157 night vision devices and associated spare tubes procured for the Afghan National Security Forces since 2007. Defense Security Cooperation Agency officials, North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan officials, Afghan National Security Forces officials, and DoD contractors did not maintain complete accountability of the night vision devices. Improving accountability will decrease vulnerabilities to theft or loss of night vision devices. We considered management comments on a draft of this report when preparing the final report.

DoD Directive 7650.3 requires that recommendations be resolved promptly. The comments from the Defense Security Cooperation Agency on Recommendation 1 and the U.S. Army Materiel Command on Recommendation 3 were responsive, and no additional comments are required. The comments from the North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan on Recommendations 2.a, 2.b, and 2.d were responsive, and no further comments are required. However, we request that the Commanding General, North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan provide additional comments on Recommendations 2.c, 2.e.1, 2.e.2, 2.e.3, 2.f.1, 2.f.2, 2.f.3, and 2.f.4 by July 18, 2012.

If possible, send a portable document format (.pdf) file containing your comments to audclev@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We are unable to accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-9077.


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Results in Brief: Accountability of Night Vision Devices Procured for the Afghan National Security Forces Needs Improvement

What We Did

We reviewed DoD, Afghan National Security Forces (ANSF), and contractor accountability for 7,157 night vision devices (NVDs) and associated spare tubes procured for the ANSF.

What We Found

Defense Security Cooperation Agency (DSCA) officials, North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan (NTM-A/CSTC-A) officials, ANSF officials, and DoD contractors did not maintain complete accountability for NVDs and associated spare tubes procured for the ANSF. Specifically, we identified:

- 342 NVD serial numbers were missing from the Security Cooperation Information Portal (SCIP) and 88 NVD serial numbers were missing from the Operational Verification of Reliable Logistics Oversight Database (OVERLORD) during our shipping document reconciliations;
- 113 NVD serial numbers were missing from SCIP and 40 NVD serial numbers were missing from OVERLORD in our SCIP and OVERLORD comparisons;
- 75 NVDs were unaccounted for during our physical inventory; and
- 397 discrepancies existed in the contractor's database and 518 discrepancies across four units' property books during our accountable record reconciliations.

This occurred because:

- DSCA officials did not provide adequate oversight to verify that U.S. Army Communications-Electronics Command

(CECOM) and NTM-A/CSTC-A officials properly implemented procedures;

- NTM-A/CSTC-A officials did not always reconcile the NVDs received to the shipping documents, use SCIP for NVD accountability, perform complete physical inventories, and provide adequate oversight of DoD contractors and ANSF officials; and
- CECOM officials did not provide adequate oversight of DoD contractors.

As a result, NVDs and associated spare tubes are more vulnerable to theft or loss, officials cannot rely on the data as a tool to determine NVD requirements, and officials cannot perform effective end-use monitoring.

What We Recommend

The Director, DSCA, should provide adequate oversight of CECOM and NTM-A/CSTC-A.

The Commanding General, NTM-A/CSTC-A, should reconcile all NVDs; use SCIP; perform complete physical inventories; retain documentation; and verify adequate oversight and proper implementation of NVD accountability guidance.

The Commanding General, CECOM, should verify adequate oversight of DoD contractors.

Management Comments and Our Response

Management agreed with our recommendations. However, some of the NTM-A/CSTC-A comments did not address what actions it would take to correct the reported deficiencies. Therefore, we request additional comments as specified in the recommendations table on the back of this page.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Commanding General, North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan	2.c, 2.e.1, 2.e.2, 2.e.3, 2.f.1, 2.f.2, 2.f.3, 2.f.4	2.a, 2.b, 2.d
Commanding General, U.S. Army Communications-Electronics Command		3
Director, Defense Security Cooperation Agency		1

Please provide comments by July 18, 2012.

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Introduction

Audit Objective

The objective of our audit was to evaluate accountability for night vision devices (NVDs) and associated spare parts procured for the Afghan National Security Forces (ANSF). See Appendix A for a discussion of the scope and methodology related to the objective.

Background on Night Vision Devices Procured for the Afghan National Security Forces

Afghan National Security Forces

The ANSF includes the Afghan National Army (ANA) and the Afghan National Police (ANP). These units provide security throughout Afghanistan. The Government Accountability Office (GAO) has reported concerns with the ANSF's ability to safeguard and properly account for the sensitive equipment provided to the ANSF by the DoD. The Government of Afghanistan Ministry of Defense (MoD) oversees the ANA and the Government of Afghanistan Ministry of Interior (MoI) oversees the ANP.

North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan

The North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan (NTM-A/CSTC-A) oversees goods and services procured for the ANSF. NTM-A/CSTC-A officials' oversight consists of assisting the ANSF in developing and implementing adequate accountability procedures for equipment purchased with the Afghanistan Security Forces Fund.

Afghanistan Security Forces Fund

Congress created the Afghanistan Security Forces Fund in FY 2005 as an emergency supplemental appropriation for equipment and services purchases to support the ANSF. Congress appropriated approximately \$39.7 billion to this fund between FY 2005 and FY 2011. Through this fund, the Defense Security Cooperation Agency (DSCA) uses pseudo-foreign military sales¹ procedures to procure items and services to support the ANSF. Procedurally, the Office of the Under Secretary of Defense (Comptroller) prepares a budget for specific equipment requirements identified by NTM-A/CSTC-A. Following budget approval, the Assistant Secretary of the Army (Financial Management and Comptroller) distributes these funds to NTM-A/CSTC-A.

¹Foreign military sales are formal agreements between the U.S. Government and authorized foreign governments to provide defense articles. With pseudo-foreign military sales, the U.S. Government is not selling defense articles to a foreign government but instead to another U.S. Government entity.

Defense Security Cooperation Agency

DSCA officials are responsible for financial management of foreign military sales. DSCA directs, administers, and provides overall guidance for the execution of security cooperation programs through foreign military sales. Specifically, DSCA determines which agency to route purchase requests to, based on the type of goods or services required. DSCA uses the U.S. Army Communications-Electronics Command (CECOM) to procure communications and electronics equipment and services for the ANSF.

U.S. Army Communications-Electronics Command

CECOM develops, acquires, provides, and sustains command, control, communications, computers, intelligence, surveillance, and reconnaissance systems for the joint warfighter. With the exception of 2,410 NVDs procured by the Kabul Regional Contracting Center in 2007, CECOM procured the NVDs provided to the ANSF. In addition, CECOM is responsible for oversight of the Bagram Air Field NVD repair facility contract.

Night Vision Devices Accountability

DoD Manual 5105.38-M, “Security Assistance Management Manual,” October 3, 2003, (the SAMM) provides guidance on accountability over sensitive defense articles, such as NVDs and associated spare parts. NVDs are portable devices, which incorporate image intensification, infrared, thermal, or sensor-fused technologies to provide a visible image. They include night vision goggles, forward-looking infrared, thermal sights, and low-light level television. NVDs generally consist of an outer casing, objective lens, eyepiece, power supply, and image intensifier tubes (tubes). The NVDs are sensitive, unclassified significant military equipment and require enhanced end-use monitoring (EUM).

End-Use Monitoring

Public Law 111-84, “The National Defense Authorization Act of FY 2010,” October 28, 2009, section 1225, requires a control system for registration and EUM of defense articles transferred to the ANSF. EUM includes inventories by the purchasing country and the Security Cooperation Organization, as well as, compliance assessments by a DSCA-led team. Additionally, NTM-A/CSTC-A Standard Operating Procedures, “Afghanistan Golden Sentry End-Use Monitoring (EUM) Program SOP,” May 31, 2009, established procedures for conducting physical inspections, property book reviews, and other inventories during site visits to various locations with NVDs. By using these procedures, NTM-A/CSTC-A officials can ensure visibility of NVDs procured for the ANSF and meet EUM requirements.

Security Cooperation Information Portal

DSCA created the Security Cooperation Information Portal (SCIP) database so customers can easily view information related to their foreign military sales cases. SCIP is the primary repository of data meant to establish a baseline of all EUM items transferred to foreign countries, including Afghanistan. SCIP enables users to track defense article items, such as NVDs, at the serial number level on a country-by-country basis. Authorized users can also add, edit, and remove items. SCIP must include accurate and current data. When properly maintained, SCIP

provides inventory reports that can help the EUM team identify items not inventoried within the required time frame and to plan for upcoming inventories.

Operational Verification of Reliable Logistics Oversight Database

NTM-A/CSTC-A uses the Operational Verification of Reliable Logistics Oversight Database (OVERLORD) for NVD registration to support EUM. OVERLORD contains equipment listed in foreign military sales case files and identified by NTM-A/CSTC-A during physical inventories. OVERLORD has the capability to identify the serial number, receipt date, and location for each NVD in Afghanistan when the database is properly maintained. The EUM section of OVERLORD assists in the 100 percent accountability of NVDs for Afghanistan.

DoD Contractor Systems

The Core Inventory Management System Enterprise Edition (CoreIMSEE) is the official tool used by Depot 1 contractors to manage the ANA inventory. According to ANA Standard Operating Procedures, “Depot Operations Afghanistan,” May 30, 2011, Depot 1 contractors must enter information into CoreIMSEE to maintain accurate records and accountability of items. When properly maintained, Depot 1 contractors can access CoreIMSEE to verify the receipt and issuance of equipment. Additionally, Bagram Air Field NVD repair facility contractors use the Maintenance Tracking Site System Administration (MTSSA) as a real-time maintenance tracking database.

Afghanistan Accountability

The MoD ANA Decree 4.2, “Materiel Accountability Policy and Procedures,” undated, (Decree 4.2) and MoI Logistics Policy, “Process for the Management of Logistics,” January 6, 2009, require that ANSF officials maintain NVD serial numbers in the unit property books. The ANA procedures require the following MoD Forms be used to track the accountability of each NVD.²

- MoD Form 9, “Issue and Turn-in Order,” documents transfers between the depots and the units.
- MoD Form 3328, “Property Record,” is the unit’s property book. The property book must include all of the NVDs assigned to the unit to ensure adequate accountability.
- MoD Form 2062, “Property Receipt,” transfers the NVDs from the unit property book officer to a specific company.
- MoD Form 3, “Hand Receipt,” transfers individual NVDs from the company to an individual.
- MoD Form 63, “Maintenance Work Orders,” transfers NVDs for maintenance and repair.
- MoD Form 4697, “Material Investigation Report,” reports damaged or destroyed NVDs.

²The ANP procedures require a similar process with forms issued by the MoI.

Internal Control Weaknesses in the Accountability of Night Vision Devices

DoD Instruction 5010.40, “Managers’ Internal Control Program (MICP) Procedures,” July 29, 2010, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses associated with the accountability of NVDs procured for the ANSF. Specifically, DSCA officials did not have controls in place to confirm that CECOM officials implemented procedures for entering the NVD data into SCIP and that NTM-A/CSTC-A officials implemented procedures for validating the accuracy of the NVD information in SCIP. In addition, NTM-A/CSTC-A officials did not have controls in place to adequately implement existing NVD accountability policies and procedures. Furthermore, NTM-A/CSTC-A and CECOM contracting officer’s representatives did not provide adequate oversight of DoD contractors and ANSF officials. We will provide a copy of the report to the senior officials responsible for internal controls at DSCA, NTM-A/CSTC-A, and CECOM.

Finding. DoD Did Not Maintain Complete Accountability of Night Vision Devices

DSCA officials, NTM-A/CSTC-A officials, ANSF officials, and DoD contractors did not maintain complete accountability for NVDs and associated spare tubes procured for the ANSF. Specifically:

- of the 7,139 NVD serial numbers³ listed in the shipping documents, SCIP did not include 342 NVD serial numbers and OVERLORD did not contain 88 NVD serial numbers;
- of the 7,189 NVD serial numbers⁴ listed in OVERLORD, SCIP did not include 113 NVD serial numbers;
- of the 7,116 NVD serial numbers⁵ listed in SCIP, OVERLORD did not contain 40 NVD serial numbers;
- of the 1,540 NVDs listed in the June 8, 2011, OVERLORD, NTM-A/CSTC-A officials did not account for 75 NVDs;
- we identified 397 discrepancies of the 1,039 NVD serial numbers listed in the Depot 1 contractor's CoreIMSEE; and
- we identified 518 discrepancies of the 1,841 NVD serial numbers listed in the property book records across 4 ANSF locations.

This occurred because:

- DSCA officials did not provide adequate oversight to verify that CECOM officials properly implemented procedures for inputting NVDs received into SCIP and that NTM-A/CSTC-A officials properly implemented procedures for validating the accuracy of the NVD information in SCIP;
- NTM-A/CSTC-A officials did not:
 - reconcile all the NVDs received to the shipping documents,
 - use SCIP to account for NVDs procured for the ANSF,
 - perform complete physical inventories, and
 - provide adequate oversight of DoD contractors and ANSF officials; and
- CECOM officials did not provide adequate oversight of the DoD contractor.

As a result, the NVDs and associated spare tubes are more vulnerable to theft or loss, putting U.S. and ANSF soldiers at greater security risk during night missions in Afghanistan. In addition, DoD and ANSF officials cannot rely on the NVD accountability records as a tool to determine NVD requirements. Furthermore, DSCA and NTM-A/CSTC-A officials cannot perform effective EUM to prevent the misuse or illicit transfer of the NVDs procured for the ANSF. Finally, DoD officials inputting the same data into multiple systems is inefficient and increases the risk of inaccuracies.

³The shipping documents contained a universe of 7,139 NVD serial numbers, as opposed to the 7,157 NVD serial numbers on contract. We were unable to obtain shipping documents for 18 NVD serial numbers.

⁴OVERLORD contained a universe of 7,189 NVD serial numbers on June 28, 2011, as opposed to the 7,157 NVD serial numbers on contract as of that date.

⁵SCIP contained a universe of 7,116 NVD serial numbers on June 29, 2011, as opposed to the 7,157 NVD serial numbers on contract as of that date.

The following figure generally illustrates the material flow of NVDs procured for the ANSF. Defense Contract Management Agency officials accept the NVDs from the vendor and generate a DD Form 250, “Material Inspection and Receiving Report,” listing all of the NVD serial numbers. CECOM receives the serial numbers and forwards the lists to DSCA and NTM-A/CSTC-A officials for defense article registration. Upon receipt of the serial numbers, DSCA and NTM-A/CSTC-A officials enter the NVD data into SCIP and OVERLORD, respectively. When the NVDs arrive in Afghanistan, the depot personnel manually input the NVD data into their accountability records. NTM-A/CSTC-A officials verify the serial numbers from the NVDs received to the data previously input into OVERLORD and send the inventoried serial numbers to DSCA to update SCIP, as appropriate. The depot personnel use MoD and MoI Form 9s to transfer accountability from the depots to the ANSF units. NTM-A/CSTC-A officials update the locations based on the ANSF units receiving the NVDs. Officials at each unit use a manual property book record to maintain accountability over NVDs. If an NVD is damaged, ANSF officials transfer the NVD to the Bagram Air Field repair facility where the contractor manually enters the data into MTSSA.

The diagram illustrates the process for NVDs shipped to Afghanistan, starting from the Defense Contract Management Agency (DCMA) and involving various entities and systems.

Legend: - - - - Indicates data entry

Process Flow:

- Defense Contract Management Agency** (DCMA) is the central entity.
- NVD Vendors** provide **NVDs** to the DCMA.
- The DCMA issues **Shipping Documents** (DD Form 250) to the **NVDs shipped to Afghanistan**.
- The **NVDs shipped to Afghanistan** are received by the **ANA Depot CoreIMSEE**.
- The **ANA Depot CoreIMSEE** provides **MoD Form 9** to the **ANA Unit Manual Property Book Records** and **MoI Form 9** to the **ANP Unit Manual Property Book Records**.
- The **ANA Unit Manual Property Book Records** and **ANP Unit Manual Property Book Records** are managed by the **MTSSA** (Material Tracking and Support System).
- The **ANA Unit Manual Property Book Records** and **ANP Unit Manual Property Book Records** are also managed by the **ANP Depot Manual Inventory System**.
- The **ANA Unit Manual Property Book Records** and **ANP Unit Manual Property Book Records** are also managed by the **CECOM Serial Numbers** system.
- The **CECOM Serial Numbers** system is connected to the **DCMA** and the **ANA Unit Manual Property Book Records**.
- The **CECOM Serial Numbers** system is also connected to the **NTM-A/CSTC-A OVERLORD** system.
- The **NTM-A/CSTC-A OVERLORD** system is connected to the **DCMA** and the **ANA Unit Manual Property Book Records**.
- The **NTM-A/CSTC-A OVERLORD** system is also connected to the **NTM-A/CSTC-A receipt verification** system.
- The **NTM-A/CSTC-A receipt verification** system is connected to the **ANA Depot CoreIMSEE**.

6

Defense Security Cooperation Agency Could Improve Oversight of the U.S. Army Communications-Electronics Command and NTM-A/CSTC-A

DSCA officials did not maintain complete accountability for NVDs procured for the ANSF. Specifically, we identified 342 of the 7,139 NVD serial numbers that were included on the shipping documents, but not listed in SCIP. See Appendix B, Tables B-1 and B-2 for this comparison. This occurred because DSCA officials did not provide adequate oversight to verify that CECOM officials properly implemented procedures for inputting NVDs received into SCIP and that NTM-A/CSTC-A officials properly implemented procedures for validating the accuracy of the NVD information in SCIP. DoD Instruction 4140.66, "Registration and End-Use Monitoring of Defense Articles and/or Defense Services," September 7, 2010, requires that DSCA manage and implement the EUM program and establish policy. In addition, the Instruction states that DSCA officials must enforce an NVD registration and monitoring system and conduct reviews of DoD Components, including CECOM and NTM-A/CSTC-A, to confirm consistent and proper implementation of the guidance. The SAMM also requires CECOM, as the Implementing Agency, to input the item serial number information into SCIP. Furthermore, the SAMM states that NTM-A/CSTC-A, as the Security Assistance Office, must verify that all EUM items are included by serial number in SCIP and review SCIP to validate that the system contains accurate and current inventory records.

Although CECOM officials were responsible for entering the data into SCIP, they provided the NVD information to DSCA officials to enter into SCIP. According to a CECOM official, CECOM sends DSCA a spreadsheet with the serial numbers to upload into SCIP prior to the NVDs arriving in Afghanistan. However, the NVD serial numbers were not always entered in SCIP. For example, the vendor shipped 100 NVDs to Afghanistan on May 23, 2011, but as of June 29, 2011, these NVD serial numbers were not in SCIP.

In addition, NTM-A/CSTC-A officials did not validate the accuracy of the NVD data in SCIP. For example, the vendor shipped 362 NVDs to Afghanistan between December 2009 and March 2010. However, as of June 29, 2011, NTM-A/CSTC-A officials had not confirmed that 5 of the 362 NVD serial numbers were input into SCIP. DSCA officials stated that they took corrective action to address the identified discrepancies. However, we did not verify whether the corrective action resolved the discrepancies. DoD officials cannot accurately determine the number of NVDs in Afghanistan or those NVDs that may have been lost or stolen without accurate data in SCIP. DSCA officials should verify that CECOM and NTM-A/CSTC-A officials consistently and properly implement the EUM guidance to accurately maintain SCIP. When properly maintained, DoD officials could use SCIP as a tool to determine NVD requirements.

NTM-A/CSTC-A Did Not Reconcile the Shipping Documents to the Night Vision Devices Received

NTM-A/CSTC-A officials did not maintain complete accountability for NVDs procured for the ANSF. Specifically, we identified 88 of 7,139 NVD serial numbers listed in the shipping

We identified 88 of 7,139 NVD serial numbers listed in the shipping documents, but not accounted for in OVERLORD by NTM-A/CSTC-A officials.

documents, but not accounted for in OVERLORD by NTM-A/CSTC-A officials. See Appendix B, Tables B-1 and B-2 for this comparison. This occurred because NTM-A/CSTC-A officials did not adequately

implement existing policies and procedures for performing inventories or retaining adequate documentation of the NVDs received. Specifically, the SAMM requires that the Combatant Command or U.S. Government representative conduct 100 percent inventories by serial number, for each NVD shipment upon delivery. However, NTM-A/CSTC-A officials did not have documentation to show that they consistently performed these serialized inventories for the NVDs arriving in Afghanistan. A majority of the NVD serial numbers missing in OVERLORD were from shipments delivered before establishment of the NTM-A/CSTC-A EUM team. Since the team's establishment, NTM-A/CSTC-A EUM officials stated that they have performed inventories upon delivery. A review of the shipments since the team's establishment shows that the NVD serial numbers from the shipping documents more closely match the NVD serial numbers in OVERLORD. However, we still identified differences. See Appendix B, Table B-2 for this comparison. Upon receipt in Afghanistan, NTM-A/CSTC-A officials should reconcile the NVD serial numbers to the corresponding shipping documents to verify that all NVDs the vendor shipped arrived in Afghanistan. Otherwise, the NTM-A/CSTC-A officials cannot determine whether NVDs were lost or stolen during delivery.

NTM-A/CSTC-A Should Use the Security Cooperation Information Portal

NTM-A/CSTC-A officials did not maintain complete accountability for NVDs procured for the ANSF. Specifically, of the 7,189 NVD serial numbers listed in OVERLORD, we identified

We identified 113 NVD serial numbers missing from SCIP.

113 NVD serial numbers missing from SCIP. See Appendix B, Tables B-1 and B-4 for this comparison. In addition, of the 7,116 NVD serial numbers listed in SCIP,

we identified 40 NVD serial numbers missing from OVERLORD. See Appendix B, Tables B-1 and B-3 for this comparison. This occurred because NTM-A/CSTC-A officials used OVERLORD instead of SCIP. The NTM-A/CSTC-A EUM Program Standard Operating Procedures require NTM-A/CSTC-A officials to use SCIP. DSCA officials must rely on the OVERLORD data to identify the locations of NVDs for their EUM compliance visits because NTM-A/CSTC-A officials did not use SCIP. However, we identified 3,260 NVD serial numbers assigned to different locations in SCIP and OVERLORD. Therefore, the DSCA EUM team cannot use SCIP to determine the number of NVDs at each ANSF unit that require EUM. NTM-A/CSTC-A officials can avoid manually inputting the same data numerous times and reduce inaccuracies by using SCIP as their NVD accountability system. In addition, DSCA officials should work with NTM-A/CSTC-A officials to maintain accurate data in SCIP. When

properly maintained, DSCA and NTM-A/CSTC-A officials can rely on the SCIP data to effectively and efficiently perform EUM compliance visits to prevent the misuse or illicit transfer of the NVDs.

NTM-A/CSTC-A Did Not Perform Complete Physical Inventories

NTM-A/CSTC-A officials did not maintain complete accountability for NVDs procured for the ANSF. Specifically, we compared our physical inventory results from site visits to the Afghan Partnering Unit, Crisis Response Unit, and 1st and 3rd Commando Kandaks,⁶ to the 1,540 NVD serial numbers listed in the June 8, 2011, OVERLORD database and identified 75 NVDs that NTM-A/CSTC-A officials could not account for. This occurred because NTM-A/CSTC-A officials did not perform complete physical inventories or retain complete shipping, receiving, and transfer documentation for each NVD. The following table details the results of our comparison.

Table. Summary of NVDs Not Accounted for Through Physical Verification or Supporting Documentation

Location	Listed in June 8 Universe	Physically Verified	Otherwise Documented	Remain Unaccounted For
1st Commando Kandak	360	0	360	0
3rd Commando Kandak	553	496	29	28
Afghan Partnering Unit	527	389	91	47
Crisis Response Unit	100	100	0	0
Total	1,540	985	480	75

Of the 1,540 NVDs listed, we physically verified 985 NVDs. We obtained supporting documentation, including transfer, maintenance, and lost or destroyed documents, for an additional 480, but NTM-A/CSTC-A officials could not account for the remaining 75 NVDs. An NTM-A/CSTC-A official stated that their EUM team did not always verify that ANSF officials took corrective action on the recommendations made as a result of the EUM visits.

NTM-A/CSTC-A officials should perform complete physical inventories at the ANSF locations to reduce the risk of theft or loss of the NVDs. In addition, NTM-A/CSTC-A officials should follow up on prior recommendations and obtain documentation justifying why NVDs were not observed onsite.

In addition, DoD Instruction 4140.66 outlines procedures for retaining a detailed record of origin, shipping, and distribution for each item provided to the ANSF. However, NTM-A/CSTC-A officials did not retain this documentation for NVDs initially received or transferred in Afghanistan. During our audit, NTM-A/CSTC-A officials established a baseline

⁶1st and 3rd Commando Kandaks are ANSF commando units.

of NVDs by issuing “Transfer of Title” memoranda to 9 of the 16 ANSF units because they did not retain the corresponding MoD Form 9s. While the intent of these memoranda is to establish accountability for the NVDs currently assigned to the units, there is no assurance that the memoranda account for all of the NVDs provided to the ANSF units. NTM-A/CSTC-A officials should retain complete shipping, receiving, and transfer documentation for each NVD procured for the ANSF. Without this documentation, NTM-A/CSTC-A officials cannot adequately determine the number of NVDs that arrived in Afghanistan or were transferred to specific ANSF units, leaving the NVDs more vulnerable to theft or loss.

NTM-A/CSTC-A Must Provide Additional Oversight of the Depot 1 Contractor

The Depot 1 contractor did not maintain complete accountability for NVDs procured for the ANSF. Specifically, we identified 397 discrepancies from the 1,039 NVD serial numbers reviewed from CoreIMSEE. See Appendix C for the details. This occurred because the NTM-A/CSTC-A contracting officer’s representative did not provide adequate oversight to verify that the Depot 1 contractor maintained accurate property records, retained receipt and transfer documents, and performed the required physical inventories. The NTM-A/CSTC-A contracting officer’s representative is responsible for overseeing the Depot 1 contractor and verifying that it complies with the applicable requirements.

The Depot 1 contractor did not maintain accurate property records. According to the MoD ANA Supply Depot 1 Standard Operating Procedures, the Depot 1 contractor must process all receipts within 24 hours of delivery and input the items into CoreIMSEE within 48 hours of delivery. However, the Depot 1 contractor did not always process receipts in CoreIMSEE within the required time frame. Specifically, we identified 328 NVDs that the 1st Commando Kandak returned to Depot 1 that the contractor did not input into CoreIMSEE within the required time. In addition, the contractor did not retain receipt and transfer documents. The Depot 1 standard operating procedure requires that the contractor maintain records identifying the status and final destination of all materials and products. However, the contractor did not provide receipt or transfer documents. Specifically, the contractor stated that prior to May 25, 2011, it did not provide copies of the MoD Form 9s to NTM-A/CSTC-A officials. In addition, the contractor did not provide us any MoD Form 9s for the NVDs issued to the ANSF. Furthermore, the contractor did not perform the required physical inventories. The Depot 1 standard operating procedure requires that the contractor perform 100 percent quarterly physical inventories. The contractor stated it performed 20 percent inventories monthly and 100 percent physical inventories quarterly. However, the contractor did not provide supporting documentation to validate these statements. Without accurate data in the contractor’s property records, DoD and ANSF officials cannot rely on the records as a tool to determine NVD requirements for the ANSF.

Before our site visit, NTM-A/CSTC-A officials identified problems with contractor performance at Depot 1. This contractor was still onsite during our visit, and we identified similar issues. DoD officials have since terminated the prime contractor at Depot 1, and a new contractor has assumed Depot 1 responsibilities. However, we did not perform additional testing at Depot 1 to determine whether the issues were resolved. Therefore, the NTM-A/CSTC-A contracting officer’s representative should provide adequate oversight of the Depot 1 contractor to verify that

the contractor maintains accurate data in the NVD accountable system, retains the required receipt and transfer documents, and performs physical inventories. This could prevent similar issues from occurring again at Depot 1.

Oversight of the Afghan National Security Forces Needs Improvement

ANSF officials did not maintain complete accountability for NVDs procured for the ANSF. Specifically, we identified 518 discrepancies from the 1,841 NVD serial numbers reviewed at 4 ANSF locations. See Appendix C for the details. This occurred because NTM-A/CSTC-A officials, as the responsible mentor, did not provide oversight to verify that ANSF officials maintained accurate property book records, reported lost or destroyed NVDs, consistently issued NVDs to soldiers on mission, and performed the required inventories.

Maintain Accurate Property Book Records

ANSF officials did not maintain complete accountability for NVDs procured for the ANSF because NTM-A/CSTC-A officials did not provide oversight to verify that ANSF officials

The Crisis Response Unit did not have property books listing the NVDs issued to them.

maintained accurate property book records. Decree 4.2 and the MoI Logistics Policy, “Process for the Management of Logistics,” January 6, 2009, require that ANSF officials maintain property books that

accurately list the NVDs on-hand by serial number. However, ANSF officials did not always maintain these records. For example, the Crisis Response Unit did not have property books listing the NVDs issued to them. In addition, ANSF officials did not always update the property records to maintain accuracy. For example, we identified 195 NVDs that were delivered to the Afghan Partnering Unit on June 11, 2011, but were not recorded in the unit's property records during our July 10, 2011, site visit.

In addition, Decree 4.2 identifies that materiel investigation reports should document the circumstances concerning the loss, damage, or destruction of government equipment and support adjustments to the accountable records. The materiel investigation report relieves the ANSF of responsibility and accountability of these NVDs. However, ANSF officials did not always remove destroyed NVDs from their property records. For example, the 3rd Commando Kandak listed 23 NVD serial numbers in their property records that were not present during our July 13, 2011, site visit. A NTM-A/CSTC-A memorandum dated May 25, 2010, stated that the MoD destroyed these NVDs, which fulfilled the requirement of a materiel investigation report. Therefore, ANSF officials should have removed the 23 destroyed NVDs from the unit's property records. DoD and ANSF officials could rely on the ANSF property records as a tool to determine NVD requirements for the ANSF if the information was accurate. NTM-A/CSTC-A officials should verify that ANSF officials are maintaining accurate property book records as required, before issuing additional NVDs.

Report Lost or Destroyed Night Vision Devices

ANSF officials did not maintain complete accountability for NVDs procured for the ANSF because NTM-A/CSTC-A officials did not provide oversight to verify that ANSF officials reported lost or destroyed NVDs. The MoD Compliance Plan, “Storage, Security and Inventory

of Night Vision Devices,” June 28, 2008, and MoI Compliance Plan, “Storage, Security and Inventory of Night Vision Devices,” September 20, 2010, (jointly referred to as Compliance Plans) require that the MoD and MoI report any instance of compromise, destruction, unauthorized use, loss, or theft of an NVD. However, MoD officials did not always perform an investigation or report lost NVDs to NTM-A/CSTC-A Security Assistance Office. For example, Afghan Partnering Unit officials prepared the appropriate documentation to disclose four lost NVDs. However, MoD officials did not prepare their required memorandum informing the NTM-A/CSTC-A Security Assistance Office of the loss. Therefore, Afghan Partnering Unit officials cannot remove these NVDs from their property books until MoD officials provide the memorandum, as required by the Compliance Plan. In addition, the Afghan Partnering Unit cannot receive replacement NVDs, leaving ANSF soldiers at greater security risk during night missions in Afghanistan.

In August 2011, in response to our findings related to the MoD not properly reporting lost or destroyed NVDs, NTM-A/CSTC-A officials issued a memorandum stating that they will no longer issue NVDs to the ANA until the MoD fully complies with the requirements outlined in the Compliance Plan. NTM-A/CSTC-A officials should verify that MoD and MoI officials are reporting instances of compromise, destruction, unauthorized use, loss, or theft before resuming issuance of NVDs.

Issue Night Vision Devices on Mission

ANSF officials did not maintain complete accountability for NVDs procured for the ANSF because NTM-A/CSTC-A officials did not provide oversight on the processes and procedures used to issue NVDs to soldiers on mission. Decree 4.2 states that individuals are responsible for sensitive items issued to them using the MoD Form 3. However, neither Decree 4.2 nor the Compliance Plans outline specific procedures to account for NVDs provided to soldiers on mission. As a result, ANSF officials used various methods to account for NVDs issued to soldiers on mission. For example, officials with the 3rd Commando Kandak issued NVDs to the unit commander instead of the soldier. At the Afghan Partnering Unit, armorers issued NVDs with other equipment to individual soldiers, but they did not update the equipment log books until the soldier returned all of the equipment. As a result, the armorers’ equipment log books inaccurately listed returned NVDs as on mission. NTM-A/CSTC-A officials should work with ANSF officials to add sufficient, detailed guidance in Decree 4.2 and Compliance Plans to account for NVDs issued to soldiers on mission and verify proper implementation of the new requirements.

ANSF officials used various methods to account for NVDs issued to soldiers on mission.

Perform Inventories

ANSF officials did not maintain complete accountability for NVDs procured for the ANSF because NTM-A/CSTC-A officials did not provide oversight to verify that ANSF officials performed the required inventories and retained inventory records. Decree 4.2 requires that ANSF officials inventory sensitive items monthly. It also identifies that officials should physically count and verify sensitive items by serial number and report any discrepancies to the property book officer. In addition, the Compliance Plans require that the unit commander or designated representative retain NVD inventory records for a minimum of one year. The

Decree 4.2 does not include this requirement. While Afghan Partnering Unit officials stated they perform physical inventories, they provided documentation that confirmed they perform physical counts rather than verifying the serial numbers of each NVD. Crisis Response Unit and 1st Commando Kandak officials stated that an independent group performed their monthly inventories, but they did not have the inventory records available. Although 3rd Commando Kandak officials stated that they perform the monthly inventories, NTM-A/CSTC-A officials stated they were not confident that the unit is performing the inventories. Therefore, the ANSF units did not comply with the requirements from Decree 4.2 or Compliance Plans. ANSF officials cannot accurately identify missing NVDs without serialized physical inventories. NTM-A/CSTC-A officials should work with ANSF officials to add specific guidance in Decree 4.2 and the Compliance Plans, including timelines for record retention. NTM-A/CSTC-A officials should verify that ANSF officials are conducting monthly serialized inventories and retaining records of these inventories before issuing additional NVDs.

The U.S. Army Communications-Electronics Command Could Improve Its Oversight of the Bagram Air Field Contractor

The Bagram Air Field repair facility contractor did not maintain complete accountability of NVDs and associated spare tubes procured for the ANSF. This occurred because the CECOM

Contractor did not maintain accurate records for the spare tubes on-hand.

contracting officer's representative did not provide adequate oversight to confirm the Bagram Air Field repair facility contractor maintained accurate inventories of sensitive items.

The CECOM contracting officer's representative is responsible for overseeing the Bagram Air Field repair facility contractor and verifying that they comply with the applicable requirements. The performance work statement requires that the Bagram Air Field repair facility contractor maintain accurate inventories for sensitive items. However, the Bagram Air Field repair facility contractor did not maintain accurate records for the spare tubes on-hand. Specifically, the Bagram Air Field repair facility contractor provided a list of 106 spare tubes on July 15, 2011, from MTSSA. During our July 16, 2011, site visit, they provided subsequent lists increasing the total to 261 spare tubes. After our site visit, the Bagram Air Field repair facility contractor provided another revised MTSSA list with 331 spare tubes. Without accurate inventory records, DoD and ANSF officials cannot rely on the data as a tool to determine NVD spare tube requirements. The CECOM contracting officer's representative should provide adequate oversight to verify that the Bagram Air Field repair facility contractor maintains accurate inventories of sensitive items.

CECOM officials identified problems with contractor performance at the Bagram Air Field repair facility, similar to the issues we observed. To improve performance, the prime contractor at the Bagram Air Field repair facility terminated its sub-contractor. CECOM officials also requested additional contracting officer's representatives to oversee the Bagram Air Field repair facility contractor, as a result of our audit.

Lack of Accountability of Night Vision Devices Poses Security Risk for Soldiers

DSCA officials, NTM-A/CSTC-A officials, ANSF officials, and DoD contractors did not maintain complete accountability of NVDs and associated spare tubes procured for the ANSF,

making these items more vulnerable to theft or loss. Therefore, U.S. and ANSF soldiers may be at greater security risk during night missions in Afghanistan. In addition, DoD and ANSF officials cannot determine reliable requirements and perform effective EUM because they did not maintain accurate data in the various accountability systems. Currently, the systems do not have an automated interface. Therefore, DoD officials must manually input data into SCIP and OVERLORD causing inefficiencies and a greater potential for data entry errors. In addition, ANSF officials and DoD contractors did not accurately maintain their property book records. As a result, officials cannot accurately determine the number of NVDs in Afghanistan.

Defense Security Cooperation Agency Comments on the Finding and Our Response

Summaries of the DSCA comments on the finding and our response are in Appendix D.

Recommendations, Management Comments, and Our Response

1. We recommend that the Director, Defense Security Cooperation Agency, provide adequate oversight to verify that U.S. Army Communications-Electronics Command and the North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan properly implement procedures for inputting night vision devices received and validating the accuracy of the night vision devices information in the Security Cooperation Information Portal.

Defense Security Cooperation Agency Comments

The Acting Director, DSCA, partially agreed and stated that DSCA does not have direct oversight authority over CECOM or NTM-A/CSTC-A. He stated that DSCA officials will continue to work through the Department of the Army and U.S. Central Command to enhance procedures used by CECOM and NTM-A/CSTC-A to verify consistent monitoring of NVDs. The Acting Director stated that DSCA implemented metrics to monitor accountability and progress of inventories performed by NTM-A/CSTC-A. In addition, he stated that DSCA included language in Chapter 8 of the revised “Security Assistance Management Manual,” April 30, 2012, delineating responsibilities regarding the input of serial numbers into SCIP and is pursuing an automated process to improve accountability of equipment requiring enhanced EUM. The Acting Director stated that DSCA will continue to monitor NTM-A/CSTC-A’s compliance with DoD EUM policy through compliance assessment visits. These visits validate the accuracy of NVD information in SCIP through inventories and physical security checks of storage facilities.

U.S. Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, U.S. Army Materiel Command, responded that CECOM is currently unable to implement the required actions because CECOM never received access to input data into SCIP. Access is kept at the DSCA EUM level. He stated that this is consistent with Chapter 8 of the “Security Assistance Management Manual,” which cites responsibilities for Military Departments and implementing agencies. In addition, the Executive Deputy stated that the CECOM Security Assistance

Management Directorate Enterprise Soldier Avionics Division provides the U.S. Army Security Assistance Command a monthly NVD serial number report. He stated that the Security Assistance Management Directorate Intensive Management Office also provides a serial number report for input into SCIP before the physical shipment of the NVDs. The Executive Deputy stated that the operation procedure and policy for inputting and validating the accuracy of NVDs in SCIP should be reviewed for feasibility and distributed once updated.

Our Response

Although the Acting Director, DSCA, partially agreed, we consider the comments responsive, and the actions met the intent of the recommendation. No further comments are required. According to DoD Manual 5105.38-M, "Security Assistance Management Manual," October 3, 2003, Chapter 8, "End-Use Monitoring (EUM)," it is the Military Departments' and implementing agencies' responsibility to input item serial number information into SCIP. DSCA canceled this DoD Manual and reissued it as DSCA Manual 5105.38-M, "Security Assistance Management Manual," April 30, 2012. The updated policy requires the Military Departments and implementing agencies to provide a monthly delivery record with serial numbers of enhanced EUM items to DSCA for input into SCIP. As the Executive Deputy stated, CECOM officials are following the updated policy by providing a monthly serial number report for input into SCIP.

2. We recommend that the Commanding General, North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan:

- a. Reconcile all the night vision devices received to the shipping documents.**

North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan Comments

The Director, Security Assistance Office-Afghanistan, responded for the Commanding General, NTM-A/CSTC-A. He agreed and stated that the depot contractors, with oversight by the Deputy Commander-Support Operations Regional Support Command-Capital, now reconcile every shipment of NVDs to shipping documents. In addition, the Director stated that the EUM team at the Regional Support Command-Capital performs a 100 percent post-delivery verification against the serial numbers loaded into SCIP. He stated that the Security Assistance Office-Afghanistan's Validation Branch and the CECOM Liaison Officer resolve any discrepancies.

Our Response

The NTM-A/CSTC-A comments were responsive, and no additional comments are required.

b. Use the Security Cooperation Information Portal as their accountability system for night vision devices.

North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan Comments

The Director, Security Assistance Office-Afghanistan, agreed and stated that the Security Assistance Office-Afghanistan completed migration to SCIP in January 2012. He stated that the Deputy Commander-Support Operations will continue to track NVDs at Depot 1 using CoreIMSEE. The Director stated that the ANSF units will continue to use their paper-based property books for accountability of NVDs transferred to them.

Defense Security Cooperation Agency Comments

Although not required to comment, the Acting Director, DSCA, responded that he agreed that NTM-A/CSTC-A should use SCIP as their accountability system for NVDs. He stated that NTM-A/CSTC-A officials notified DSCA officials that NTM-A/CSTC-A would use SCIP, as of January 1, 2012, as its primary database for tracking NVDs instead of using OVERLORD.

Our Response

The NTM-A/CSTC-A comments were responsive, and no additional comments are required.

c. Perform complete physical inventories to account for the night vision devices provided to the Afghan National Security Forces to include following up on previous recommendations for corrective actions.

North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan Comments

The Director, Security Assistance Office-Afghanistan, agreed and stated that the command should continue to perform 100 percent annual inventories of NVDs provided to the ANSF. He stated that the EUM inspectors at the Regional Support Commands under the Deputy Commander-Special Operations work closely with the ANSF units. In addition, the Director stated that the Security Assistance Office-Afghanistan continues to manage the EUM program where they can centralize all recommendations and corrective actions.

Our Response

The NTM-A/CSTC-A comments were partially responsive. Although the Director agreed with our recommendation, he did not identify how NTM-A/CSTC-A will change the process for following up on corrective actions discovered during physical inventories. Therefore, we ask that the Commanding General, NTM-A/CSTC-A, provide additional clarifying comments in response to the final report identifying specific actions on following up on previous recommendations for corrective actions.

d. Retain copies of shipping, receipt, and transfer documents for all of the night vision devices procured for the Afghan National Security Forces.

North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan Comments

The Director, Security Assistance Office-Afghanistan, agreed and stated that NTM-A/CSTC-A officials terminated the contract for the vendor previously running Depot 1. He stated that the new contract for the vendors running Depot 1 and 22 Bunkers requires them to retain the recommended documentation.

Our Response

The NTM-A/CSTC-A comments were responsive, and no additional comments are required.

e. Verify that the contracting officer's representative provides adequate oversight to confirm the Depot 1 contractor is:

- (1) Maintaining accurate property records;**
- (2) Retaining receipt and transfer documents; and**
- (3) Conducting and maintaining accurate physical inventories.**

North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan Comments

The Director, Security Assistance Office-Afghanistan, agreed and stated that the Regional Support Command-Capital is responsible for ensuring the Depot 1 and 22 Bunkers contractors maintain the recommended records and conduct the required physical inventories.

Our Response

The NTM-A/CSTC-A comments were partially responsive. Although the Director agreed with our recommendation, he only identified that the command is responsible for verifying that the two contractors maintain the recommended records and conduct the required physical inventories. He did not identify the specific actions that the command will take to confirm that the contractors follow those procedures. Therefore, we ask that the Commanding General, NTM-A/CSTC-A, provide additional comments in response to the final report identifying the specific actions that the Regional Support Command-Capital will take.

f. Provide oversight, as the responsible mentor, to the Afghan National Security Forces and the Ministry of Defense and Ministry of Interior to verify proper implementation of night vision devices accountability guidance for:

- (1) Maintaining accurate property books;**

(2) **Reporting instances of compromise, destruction, unauthorized use, loss, or theft;**

(3) **Issuing night vision devices to individual soldiers on mission; and**

(4) **Conducting physical inventories.**

North Atlantic Treaty Organization Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan Comments

The Director, Security Assistance Office-Afghanistan, agreed and acknowledged that it is the command's responsibility to mentor the ANSF, MoD, and MoI on implementation of NVD accountability guidance. He stated that mentors from the Deputy Commander-Army and Deputy Commander-Police work with the MoD and MoI. In addition, the Director stated that commanders from the Regional Support Commands and Deputy Commander-Special Operations Forces personnel mentor the ANSF organizations in the field.

Our Response

The NTM-A/CSTC-A comments were partially responsive. Although the Director agreed with our recommendation, he only identified that the command is responsible for mentoring the ANSF, MoD, and MoI on implementation of NVD accountability guidance. He did not identify the specific actions that the command will take to confirm that those organizations implement the guidance for maintaining accurate property books; reporting instances of compromise, destruction, unauthorized use, loss, or theft; issuing NVDs to individual soldiers on mission; and conducting physical inventories. Therefore, we ask that the Commanding General, NTM-A/CSTC-A, provide additional comments in response to the final report identifying the specific actions that will be taken.

3. We recommend that the Commanding General, U.S. Army Communications-Electronics Command, verify the contracting officer's representative provides oversight to confirm the Bagram Air Field repair facility contractor is conducting physical inventories and maintaining accurate inventories of sensitive items.

U.S. Army Materiel Command Comments

The Executive Deputy to the Commanding General, U.S. Army Materiel Command, responded for the Commanding General, CECOM. He agreed and stated that the CECOM Logistics and Readiness Center Field Support Directorate Field Support Sustainment Division revised the standard operating procedure for the Bagram Regional Support Command manager to require the performance of monthly inventories for 100 percent accountability of all NVDs, associated spare parts, and repair parts at each Regional Support Center. The Executive Deputy stated that the contracting officer's representative now receives reports for verification and completeness. In addition, he stated that the CECOM Logistics and Readiness Center Field Support Directorate Field Support Sustainment Division deploys Department of the Army civilians under the Electronic Sustainment Support Center as contracting officer's representatives for the task order

responsible for the ANSF sustainment support. These civilians deploy on a rotating basis, providing key management and oversight controls to verify standardized operating procedures are properly performed.

Our Response

The U.S. Army Materiel Command comments were responsive, and no additional comments are required.

Other Matters of Interest

The Compliance Plans require that ANSF officials comply with U.S. specified requirements for storing NVDs in locations with controlled access by authorized personnel. The Compliance Plans also identify that the unit commander or his designated representative is responsible for controlling access to the NVD storage area keys. The Decree 4.2 does not include specific guidance related to physical security access controls. Although ANSF officials with the Afghan Partnering Unit, Crisis Response Unit, and the 1st and 3rd Commando Kandaks had acceptable physical security access controls, they did not document officials with authorized access to the NVD secured areas. We did not identify any NVDs missing because of the lack of these documents. However, NTM-A/CSTC-A officials should work with ANSF officials to add sufficient, detailed guidance in the Compliance Plans and Decree 4.2 for documenting approved personnel with authorized access to the NVD secured areas and verify proper implementation of the new requirements.

The Director, Security Assistance Office-Afghanistan, stated that the Compliance Plans have been updated as MoD and MoI NVD Control Plans, incorporating updates and guidance from DSCA. In addition, the Deputy Commander-Army, Deputy Commander-Police, and Deputy Commander-Special Operations Forces mentors will seek opportunities to appropriately update Decree 4.2, the MoI Logistics Policy, and relevant security-specific policy documents. We commend the Security Assistance Office-Afghanistan for taking action to update the Compliance Plans as well as seeking opportunities to update other security guidance.

Appendix A. Scope and Methodology

We conducted this performance audit from April 2011 through April 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To evaluate accountability of NVDs and associated spare parts procured for the ANSF, we obtained data from SCIP, OVERLORD, CoreIMSEE, MTSSA, and ANSF property books. We obtained a June 8, 2011, universe from OVERLORD of 6,906 NVDs procured for the ANSF since 2007 and disbursed across 16 ANSF units and 2 DoD contractor facilities in Afghanistan. Due to travel restrictions and other security concerns, NTM-A/CSTC-A officials selected four ANSF units and two DoD contractor facilities for the audit team to visit, reducing our June 8, 2011, universe from OVERLORD to 3,573 NVDs.

To accomplish the audit objectives, we:

- compared the June 29, 2011, SCIP data and June 28, 2011, OVERLORD data to DoD contractor shipping documents to validate the accuracy of the inventory tracking systems. Based on this comparison, we identified a total of 7,305 unique NVD serial numbers.
- reviewed DoD policy for sensitive items provided to Afghanistan, including DoD Manual 5105.38-M and DoD Instruction 4140.66;
- reviewed Afghanistan policy for NVD accountability, including the MoD and MoI Compliance Plans, Decree 4.2, MoI Logistics Policy, and Golden Sentry Standard Operating Procedures;
- interviewed officials from NTM-A/CSTC-A, CECOM, DSCA, the Defense Technology Security Administration, the Defense Logistics Agency, and the Defense Contract Management Agency to discuss their roles and responsibilities for ANSF NVD accountability;
- performed site visits to meet with ANA and ANP officials and DoD contractors at the following locations:
 - 1st Commando Kandak, Kabul, Afghanistan
 - 3rd Commando Kandak, Kandahar, Afghanistan
 - Afghan Partnering Unit, Kabul, Afghanistan
 - Crisis Response Unit, Kabul, Afghanistan
 - Bagram Air Field repair facility, Bagram, Afghanistan
 - Depot 1, Kabul, Afghanistan
- reviewed the physical security controls and internal control processes at the six locations to validate whether ANSF officials and DoD contractors had properly accounted for and safeguarded the NVDs;
- performed physical inventories of all NVDs at the six locations visited to determine the accuracy of the NVD data in OVERLORD;
- performed NVD serial number reconciliations of the results of our physical inventories to OVERLORD, CoreIMSEE, MTSSA, ANSF property book records, and MoD and MoI Form 9s received during our site visit to evaluate the accuracy of the data;

- obtained missing shipping documents from a DoD contractor and Defense Contract Management Agency officials for all NVDs shipped to Afghanistan for the ANSF; and
- requested additional supporting documentation for any discrepancies identified.

Use of Computer-Processed Data

We relied on computer-processed data from OVERLORD to identify a universe of NVDs procured for the ANSF. We determined data reliability by performing physical inventories at six locations. For NVDs not observed, we requested documentation, such as shipping and receiving documents and property hand receipts, for verification. In addition, we compared OVERLORD data to CoreIMSEE and MTSSA data and the results of the physical inventories. We also compared OVERLORD data to SCIP data and DoD contractor shipping documents. Based on our testing of CoreIMSEE, MTSSA, and SCIP, we determined the data in these systems were unreliable. However, our assessment indicated that the OVERLORD data were sufficiently reliable for the purpose of obtaining an initial universe of NVDs.

Prior Coverage

During the last five years, GAO, the Department of Defense Inspector General (DoD IG), and the Air Force Audit Agency (AFAA) have issued three reports discussing NVD accountability. Unrestricted GAO reports can be accessed over the Internet at <http://www.gao.gov>. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/audit/reports>. AFAA reports can be accessed from .mil domains over the Internet at <https://afkm.wpafb.af.mil.ASPs/CoP/OpenCoP.asp?Filter=OO-AD-01-41> by those with Common Access Cards.

GAO

GAO Report No. GAO-09-267, “Lack of Systematic Tracking Raises Significant Accountability Concerns about Weapons Provided to Afghan National Security Forces,” January 30, 2009

DoD IG

DoD IG Report No. SPO-2009-003, “Assessment of the Accountability of NVDs Provided to the Security Forces of Iraq,” March 17, 2009

Air Force

AFAA Report No. F2011-0004-FD-3000, “Night Vision Equipment,” April 4, 2011

Appendix B. Receiving Records Comparison

To evaluate the accuracy of the inventory tracking system data, we compared June 29, 2011, SCIP data and June 28, 2011, OVERLORD data to the available DoD contractor shipping documents,* which identified a total of 7,305 unique NVD serial numbers. We identified several discrepancies between the sources. The tables below summarize our comparisons.

Table B-1. Total Number of NVD Serial Numbers in Contracts, Shipping Documents, SCIP, and OVERLORD, by Foreign Military Sales Case Number

Case Number	Contract Quantity	Shipping Documents	SCIP	OVERLORD
B6-B-AAK ¹	2,410	2,392	2,444	2,422
B6-B-FCD	1,205	1,205	1,225 ²	1,226 ²
E3-B-UCA	792	792	797	790
G5-B-UBK	572	572	572	573
G5-B-UCA	2,178	2,178	2,078	2,178
Total	7,157	7,139	7,116	7,189

¹The Kabul Regional Contracting Center procured the NVDs in this case.

²This number includes 20 NVDs that were procured for Djibouti but erroneously shipped to Afghanistan and accounted for under this pseudo foreign military sales case.

We compared the serial numbers listed on the shipping documents to SCIP and OVERLORD. We identified 342 serial numbers included in the shipping documents that were not listed in SCIP and 88 serial numbers included in the shipping documents that were not listed in OVERLORD. The following table provides the details of the discrepancies by pseudo-foreign military sales case number.

Table B-2. Unique Serial Numbers in Shipping Documents but Not in SCIP or OVERLORD

Case Number	Not in SCIP	Not in OVERLORD
B6-B-AAK	237	78
B6-B-FCD	0	0
E3-B-UCA	5	7
G5-B-UBK	0	3
G5-B-UCA	100	0
Total	342	88

*We were unable to obtain shipping documents for 18 NVD serial numbers.

We compared the serial numbers listed in SCIP to OVERLORD and the shipping documents. We identified 157 serial numbers included in SCIP that were not listed in the shipping documents and 40 serial numbers included in SCIP that were not listed in OVERLORD. The following table provides the details of the discrepancies by pseudo-foreign military sales case number.

Table B-3. Unique Serial Numbers in SCIP but Not in Shipping Documents or OVERLORD

Case Number	Not in Shipping Documents	Not in OVERLORD
B6-B-AAK	127	26
B6-B-FCD	20	0
E3-B-UCA	10	11
G5-B-UBK	0	3
G5-B-UCA	0	0
Total	157	40

We compared the serial numbers listed in OVERLORD to SCIP and the shipping documents. We identified 138 serial numbers included in OVERLORD that were not listed in the shipping documents and 113 serial numbers included in OVERLORD that were not listed in SCIP. The following table provides the details of the discrepancies by pseudo-foreign military sales case number.

Table B-4. Unique Serial Numbers in OVERLORD but Not in Shipping Documents or SCIP

Case Number	Not in Shipping Documents	Not in SCIP
B6-B-AAK	108	4
B6-B-FCD	21	1
E3-B-UCA	5	4
G5-B-UBK	4	4
G5-B-UCA	0	100
Total	138	113

Appendix C. NTM-A/CSTC-A, DoD Contractors, and Afghan National Security Forces

Accountable Systems and Records Comparison

We compared the 3,508 NVD serial numbers from OVERLORD, CoreIMSEE, MTSSA, MoD Form 9s, and ANSF property books to the results of our physical inventories for the 6 locations visited and identified 923 discrepancies. For example, we physically inventoried 190 NVDs at the Afghan Partnering Unit that NTM-A/CSTC-A officials listed in OVERLORD and on MoD Form 9s as assigned to the Afghan Partnering Unit, but Afghan Partnering Unit officials did not list them in the unit's property book. During our audit, NTM-A/CSTC-A officials resolved 333 discrepancies and took corrective action on 61 additional discrepancies. The tables below summarize, by location, the discrepancies we identified and discrepancies that NTM-A/CSTC-A officials resolved.

Table C-1. Serial Numbers Compared, Discrepancies Identified, Discrepancies Resolved, and Discrepancies Unresolved at the ANSF Units

Location	Serial Numbers Compared	Discrepancies Identified	Discrepancies Resolved	Discrepancies Unresolved
1st Commando Kandak	334	17	3	14 ¹
3rd Commando Kandak	581	91	0	91 ²
Afghan Partnering Unit	826	310	0	310
Crisis Response Unit	100	100	0	100
Total	1,841	518	3	515

¹NTM-A/CSTC-A officials took corrective action for 13 discrepancies at the 1st Commando Kandak. Specifically, NTM-A/CSTC-A officials issued memoranda advising ANSF officials to update the unit property books for 12 of these discrepancies and provided an updated OVERLORD for 1 discrepancy. We did not receive the unit's updated property books to verify the ANSF resolved the discrepancies.

²NTM-A/CSTC-A officials issued memoranda advising ANSF officials to update the unit property books for 47 of these discrepancies. We did not receive the unit's updated property books to verify the ANSF resolved the discrepancies.

Table C-2. Serial Numbers Compared, Discrepancies Identified, Discrepancies Resolved, and Discrepancies Unresolved at DoD Contractor Facilities

Location	Serial Numbers Compared	Discrepancies Identified	Discrepancies Resolved	Discrepancies Unresolved
Bagram Air Field	628	8	2	6
Depot 1	1,039	397	328	69*
Total	1,667	405	330	75

*NTM-A/CSTC-A officials provided updated CoreIMSEE data for one of these discrepancies. We did not receive updated OVERLORD information or revisit Depot 1 to verify NTM-A/CSTC-A resolved the discrepancies.

Appendix D. Defense Security Cooperation Agency Comments on the Finding and Our Response

DSCA Comments

The Acting Director, DSCA, commented on the finding that DSCA could improve oversight of CECOM and NTM-A/CSTC-A. He disagreed that shipping records should be used as source documents for serial number information. He stated they have identified several errors in the shipping documents during their NVD serial number inventories. These shipping document errors resulted in incorrect data recorded by various agencies.

In addition, the Acting Director provided explanations on the discrepancies we identified between the SCIP database and the shipping documents. He stated that the 100 NVDs shipped to Afghanistan on May 23, 2011, were entered into SCIP on July 11, 2011. He stated that policy requires serial number input into SCIP within 90 days of delivery. Therefore, according to DSCA, these items were properly input within that time.

The Acting Director stated that 237 of the discrepancies identified were part of the 2,410 NVDs procured by the Kabul Regional Contracting Center in May 2007. NTM-A/CSTC-A officials did not use the proper process for coordinating and approving NVD exports with DSCA officials for this purchase. DSCA officials became aware of the purchase on August 8, 2008, and immediately instructed NTM-A/CSTC-A officials to perform a 100 percent physical inventory of the NVD serial numbers and enter the serial number information into SCIP. NTM-A/CSTC-A officials entered this information into SCIP on October 16, 2008. The Acting Director stated that the discrepancies we identified were the result of either incorrect serial numbers listed in the shipping records or incorrect data entered into SCIP by NTM-A/CSTC-A officials. He stated that the errors were corrected through normal verification during the EUM process.

The Acting Director stated that five of the discrepancies identified were the result of manual data entry errors by NTM-A/CSTC-A officials. He stated that DSCA officials verified and corrected the errors.

The Acting Director stated that NTM-A/CSTC-A and DSCA maintain full accountability of the NVDs currently transferred to the ANSF. He further stated that DSCA will continue to improve accountability procedures to maintain an effective EUM program in Afghanistan.

Our Response

We used the shipping documents as a starting point since the shipping documents show what was shipped and what should have arrived in Afghanistan. We acknowledge that errors can occur in the shipping documents. These errors should be identified upon initial receipt of the NVDs. Without an accurate list of the NVD serial numbers shipped to Afghanistan, DSCA officials cannot accurately verify the NVDs that SCIP should include. DSCA officials did not provide the

auditors with documentation of errors they identified in the shipping documents. Therefore, we could not substantiate the Acting Director's position that the shipping documents were an unreliable source.

We acknowledge that the revised SAMM, Chapter 8, "End-Use Monitoring (EUM)," April 30, 2012, required the Security Cooperation Organization to verify receipt of NVDs by serial number within 90 days of delivery. However, the SAMM, Chapter 8, "End-Use Monitoring (EUM)," October 3, 2003, required that the Combatant Command or U.S. Government representative conduct 100 percent inventories by serial number, for each NVD shipment upon delivery. The 2003 version of the SAMM in effect at the time of our review did not cite the 90-day allowance for performing the inventories. Therefore, the 100 serial numbers shipped to Afghanistan on May 23, 2011, and not listed in SCIP, as of June 29, 2011, were not input in compliance with the applicable guidance. In September 2011, we requested DSCA to provide an updated version of the SCIP data to confirm that the discrepancies were resolved; however, DSCA officials did not provide us with the updated information.

We agree that 237 discrepancies identified were part of the 2,410 NVDs procured by the Kabul Regional Contracting Center. However, this procurement occurred in May 2007. The Acting Director acknowledged that DSCA officials became aware of this purchase on August 8, 2008, and that NTM-A/CSTC-A officials entered the serial number information into SCIP on October 16, 2008. However, the 237 NVD serial numbers were not listed in SCIP, as of June 29, 2011, almost 3 years later. Since 100 percent inventories are required annually for NVDs, DSCA officials did not identify the discrepancies through normal EUM verification. Rather, the discrepancies were only identified because of our audit. In September 2011, we requested DSCA to provide an updated version of the SCIP data to confirm that the discrepancies were resolved; however, DSCA officials did not provide us with the updated information.

We identified five NVD serial numbers from shipments between December 2009 and March 2010 that were not listed in SCIP, as of June 29, 2011. DSCA officials stated that they corrected these errors after we brought them to their attention. In September 2011, we requested DSCA to provide an updated version of the SCIP data to confirm that the discrepancies were resolved; however, DSCA officials did not provide us with the updated information.

NTM-A/CSTC-A Comments



NATO TRAINING MISSION - AFGHANISTAN
COMBINED SECURITY TRANSITION COMMAND - AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09356

REPLY TO
ATTENTION OF

NTM-A/CSTC-A SAO-A

19 APR 2012

MEMORANDUM THRU

United States Forces - Afghanistan (CJIG), APO AE 09356
United States Central Command (CCIG), MacDill AFB, FL 33621

FOR Office of the Department of Defense Inspector General (DoD IG), 4800 Mark Center Drive, Alexandria, Virginia 22350

SUBJECT: NTM-A/CSTC-A Response to the Draft Report "Accountability of Night Vision Devices Procured for the Afghan National Security Forces Needs Improvement" (DoD IG Audit D2011-D000AT-0221.000)

1. Reference: Draft Report, 5 April 2012, Department of Defense Inspector General (DoD IG), subject as above.
2. Thank you for the opportunity to respond to the DODIG report referenced. The DODIG team highlighted important Night Vision Device (NVD) accountability issues within the command and in the Afghan National Security Forces (ANSF).
3. Concur with the report's findings and recommendations. Corrective action is outlined below:
 - a. All NVDs must be reconciled against the shipping documents. The Depot 1 and 22 Bunkers contractors, with oversight by DCOM-SPO's Regional Support Command-Capital (RSC-C), now reconcile every shipment of NVDs as required. Additionally, the End-Use Monitoring (EUM) team at RSC-C performs a 100% post-delivery verification against the serial numbers loaded into the Security Cooperation Information Portal (SCIP) by CECOM and DSCA. Any discrepancies are resolved by SAO-A's Validation Branch and CECOM Liaison Officer.
 - b. SCIP should be used as the database of record for NVD Enhanced End-Use Monitoring (E-EUM). SAO-A completed migration to SCIP database in Jan 2012. DCOM-SPO will continue to track NVDs in Depot 1 using CoreIMSee. ANSF units will continue to use paper-based property books for ultimate accountability for all NVDs transferred to them.

NTM-A/CSTC-A DCG-SPT

SUBJECT: NTM-A/CSTC-A Response to the Draft Report "Accountability of Night Vision Devices Procured for the Afghan National Security Forces Needs Improvement" (DoD IG Audit D2011-D000AT-0221.000)

c. The command should continue to perform annual 100% inventories of NVDs provided to the ANSF. The EUM inspectors in the six Regional Support Commands (RSCs) under DCOM-SPO provide close ties with the ANSF units. The EUM program continues to be managed by the SAO-A Validation Branch in Kabul where they can centralize all recommendations and corrective actions.

d. The command must retain copies of shipping, receipt, and transfer documents for all NVDs. NTM-A/CSTC-A terminated the contract for the vendor that was previously running Depot 1. The new contract for the vendor running Depot 1 and the vendor running 22 Bunkers requires them to retain this documentation.

e. It is the command's responsibility to ensure the depot contractors are maintaining the appropriate records and conducting the required physical inventories. RSC-C is the responsible command element for oversight of the Depot 1 and 22 Bunkers contractors.

f. It is the command's responsibility to mentor ANSF, MoD, and MoI on implementation of NVD accountability guidance. Each RSC Commander takes that responsibility seriously. Mentors from DCOM-Army and DCOM-Police work with MoD and MoI while RSC Commanders and DCOM-SOF personnel mentor ANSF organizations in the field.

g. NVD accountability policies and procedures require improvements. The NVD Compliance Plans have been updated as MoD and MoI NVD Control Plans, incorporating updates and the latest guidance from DSCA. MoD and MoI recently signed the new NVD Control Plan. DCOM-Army, DCOM-Police, and DCOM-SOF mentors will seek opportunities to make appropriate updates to the MoD Decree 4.2 Materiel Accountability Policy and Procedures, the MOI Policy Process for the Management of Logistics, and relevant security-specific policy documents.

4. The point of contact for this matter is [REDACTED] Director, Security Assistance Office - Afghanistan at [REDACTED] or [REDACTED]



MATTHEW B. SCHWAB

COL, US Army

Director, Security Assistance Office - Afghanistan

CF:

DCG-SPT

DCOM-SPO

DCOM-Army

DCOM-Police

DCOM-SOF

U.S. Army Materiel Command Comments



REPLY TO
ATTENTION OF:

AMCIR

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

MAY - 7 2012


MEMORANDUM FOR Department of Defense Inspector General (DoDIG), ATTN:
[REDACTED] Program Director, Acquisition and Contract Management,
4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Reply to DoDIG Draft Report – Accountability of Night Vision Devices
Procured for the Afghan National Security Forces Needs Improvement (Project No. D2011-
D000AT-0221.000)

1. The U.S. Army Materiel Command (AMC) has reviewed the subject draft report and the response from the U.S. Army Communications-Electronics Command (CECOM). AMC endorses the enclosed CECOM response.

2. The AMC point of contact is [REDACTED] or email:
[REDACTED]

Encl


JOHN B. NERGER
Executive Deputy to the
Commanding General



DEPARTMENT OF THE ARMY
HEADQUARTERS, US ARMY COMMUNICATIONS-ELECTRONICS COMMAND
6002 COMBAT DRIVE
ABERDEEN PROVING GROUND, MARYLAND 21005-1845

AMSEL-IR


30 APR 2012

MEMORANDUM FOR [REDACTED] Director, Internal Review, HQ US Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898-5000

SUBJECT: HQ CECOM Comments to DoDIG Draft Report: Accountability of Night Vision Devices Procured for the Afghan National Security Forces Needs Improvement, Project No. D2011-D000AT-0221.000

1. The HQ US Army Communications-Electronics Command (CECOM) response to the DoDIG recommendations is provided at the enclosure.
2. Point of contact is [REDACTED] CECOM Internal Review Office. [REDACTED]
3. One Vision, One Mission – The Warfighter.

Encl


GARY P. MARTIN
Deputy to the
Commanding General

CF: [REDACTED] External Audit Liaison Officer, Internal Review, HQ US Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898-5000

U.S. ARMY COMMUNICATIONS-ELECTRONICS COMMAND
REPLY TO
DODIG DRAFT REPORT: ACCOUNTABILITY OF NIGHT VISION DEVICES
PROCURED FOR THE AFGHAN NATIONAL SECURITY FORCES NEEDS
IMPROVEMENT
Project No. D2011-D000AT-0221.000

AUDIT CONCLUSION:

The DODIG auditors reviewed Afghan National Security Forces (ANSF) and contractor accountability for 7,157 night vision devices (NVDs) and associated spare tubes procured for the ANSF. The Defense Security Cooperation Agency (DSCA) officials, NATO Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan (NTM-A/CSTC-A) officials, ANSF officials, and DOD contractors did not maintain complete accountability for NVDs and associated spare tubes procured for the ANSF. Specifically, the auditors identified (1) 342 NVD serial numbers were missing from Security Cooperation Information Portal (SCIP) and 88 NVD serial numbers were missing from Operational Verification of Reliable Logistics Oversight Database (OVERLOAD) during our shipping documents reconciliations; (2) 113 NVD serial numbers were missing from SCIP and 40 NVD serial numbers were missing from OVERLOAD in our SCIP and OVERLOAD comparison; (3) 75 NVDs were unaccounted for during our physical inventory; and (4) 397 discrepancies existed in the contractor's database and 518 discrepancies across four units' property books during the auditor's accountable record reconciliations.

The auditors believed this occurred because: (1) DSCA officials did not provide adequate oversight to verify that CECOM and NTM-A/CSTC-A officials properly implemented procedures; (2) NTM-A/CSTC-A officials did not always reconcile the NVDs received to the shipping documents, use SCIP for NVD accountability, perform complete physical inventories, and provide adequate oversight of DoD contractors and ANSF officials; and (3) U.S. Army Communications-Electronics Command (CECOM) officials did not provide adequate oversight of the DoD contractor.

As a result, the auditors believe the NVDs and associated spare tubes are more vulnerable to theft or loss. In addition, officials cannot rely on the data as a tool to determine NVD requirements and perform effective end-use monitoring.

**RECOMMENDATION FOR THE COMMANDING GENERAL
U.S. ARMY COMMUNICATIONS-ELECTRONICS COMMAND**

RECOMMENDATION 3:

Verify the contracting officer's representative provides oversight to confirm the Bagram Air Field repair facility contractor is conducting physical inventories and maintaining accurate inventories of sensitive items.

COMMAND COMMENTS AND ACTION TAKEN

Concur. CECOM Logistics and Readiness Center (LRC) Field Support Directorate (FSD) Field Support Sustainment Division (FSSD) was already providing contractor oversight for this effort to include four other task orders and over 700 contractors. The previous standard for recurring inventories was 10% monthly and 100% quarterly. Therefore, we agree this standard needed some improvement.

As CECOM LRC FSD FSSD is responsible for the corrective action, we immediately revised the Standard Operating Procedure (SOP) for the Bagram RSC manager to conduct monthly inventories for 100% accountability of all Night Vision Devices, associated spare parts and/or repair parts at each Regional Support Center in support of ANSF. Reports are now provided to the Contracting Officer's Representative (COR) for verification and completeness.

Also, CECOM LRC FSD FSSD currently deploys Department of Army Civilians, on a rotating basis, under the Electronic Sustainment Support Center. During their deployment, these Army Civilians are designated as CORs for the task order responsible for ANSF sustainment support. Additionally, the continuous rotation of Army Civilians provides key management and oversight controls to ensure standardized operating procedures are being properly performed.

The SOP and the Contractor Quality Assurance Support Plan were provided to the DODIG auditors; therefore, we believe our actions have successfully met the intent of this recommendation.

OTHER MATTERS:

Although Recommendation 1 of this report is addressed to the Defense Security Cooperation Agency, it requires actions from CECOM (and other commands) to properly implement procedures for inputting and validating the accuracy of night vision devices received in the Security Cooperation Information Portal.

CECOM is currently unable to implement the required actions as documented in the IG report. CECOM has never been granted the access rights to input data into the SCIP SCO toolbox/EUM, as the access entry/authorization point is kept at the DSCA-EUM level. This is consistent with Chapter 8 of the Security Assistance Management Manual for enhanced EUM (End-Use Monitoring) which cites responsibility for MILDEPs and implementing agencies. CECOM Security Assistance Management Directorate (SAMD) Enterprise Soldier Avionics Division

provides a monthly Night Vision Device (NVD) serial number report to USASAC. In addition, SAMD Intensive Management Office provides a separate serial number report for inputting into the Security Cooperation Information Portal (SCIP). This report is provided prior to the physical shipment of equipment to DSCA-EUM.

We therefore recommend the current operation procedure and policy for inputting and validating the accuracy of night vision devices received in the Security Cooperation Information Portal be reviewed for its current practicability and distributed once updated.

Defense Security Cooperation Agency Comments



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

MAY 09 2012

MEMORANDUM FOR INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

SUBJECT: Draft Report on the Accountability of Night Vision Devices (NVD) Procured for the Afghan National Security Forces (ANSF)

Reference: Department of Defense Office of the Inspector General, Draft Report, "Accountability of Night Vision Devices Procured for the Afghan National Security Forces Needs Improvement (Project No. D2011-D000AT-0221.000)," April 5, 2012

Thank you for the opportunity to review and provide comments on the subject report. We have reviewed the report and see value in the Department of Defense Office of the Inspector General (DoDIG) recommendations; however, we are concerned the language used at times overstates possible flaws in our end-use monitoring (EUM) efforts. Our comments addressing the report's recommendation for the Defense Security Cooperation Agency (DSCA) are attached.

I am disappointed that previous correspondence provided to your team was not included in the report. Specifically, DSCA previously indicated to the DoDIG through informal correspondence, the 342 NVDs noted as a discrepancy between the Security Cooperation Information Portal (SCIP) database and the shipping documents were a result of the following:

- 100 NVDs on pseudo-Foreign Military Sales (FMS) case G5-B-UCA were shipped from the United States to Afghanistan on May 23, 2011, and were entered into SCIP on July 11, 2011. Per Golden Sentry Program policy, the Security Cooperation Organizations (SCO) must conduct a 100% visual physical inventory and enter the NVD data in SCIP within 90 days of delivery. All 100 serial numbers were entered into the database well within this 90 day window.
- 237 of the remaining 242 NVD discrepancies were part of 2,410 NVDs directly purchased by the Kabul Regional Contracting Center in May 2007, through local procurement using pseudo-FMS case B6-B-AAK. The Combined Security Transition Command-Afghanistan (CSTC-A) did not use the proper process for coordinating and approving NVD exports with DSCA, and as a result, DSCA did not become aware of the purchase until August 8, 2008. Immediately after becoming aware of the transfer, DSCA instructed CSTC-A to verify the NVD serial numbers through a 100% visual physical inventory and enter the serial number information into SCIP. CSTC-A verified the NVD serial numbers and entered this data into SCIP on October 16, 2008. Discrepancies noted by the DoDIG were the result of either incorrect serial numbers listed in the shipping records or incorrect data entered into the database by CSTC-A and was corrected through normal verification via the EUM process.



- The remaining 5 discrepancies identified on pseudo-FMS case E3-B-UCA were verified by DSCA to be the result of manual data entry error by CSTC-A; these errors were corrected.

Currently, full accountability of 12,061 NVDs transferred to the ANSF via Pseudo-FMS cases in a war environment is being maintained by CSTC-A and DSCA. We will continue to work to improve our accountability procedures and welcome viable recommendations resulting from important audits such as this DoDIG report to maintain an effective EUM program in Afghanistan. I trust your assessment and recommendations will assist us with our efforts for continuous process improvement.

My point of contact on this matter is [REDACTED]. He may be contacted at [REDACTED] or by telephone, [REDACTED].

A handwritten signature in cursive script, reading "Richard A. Genaille, Jr.", written in black ink.

Richard A. Genaille, Jr.
Acting Director

Attachments:
As stated

DoDIG DRAFT REPORT DATED APRIL 5, 2012
PROJECT NUMBER D2011-D000AT-0221.000

“Accountability of Night Vision Devices Procured for the Afghan National Security Forces
Needs Improvement”

DEFENSE SECURITY COOPERATION AGENCY (DSCA) COMMENTS ON
DoDIG DRAFT REPORT ON NIGHT VISION DEVICE (NVD) ACCOUNTABILITY

DSCA welcomes periodic reviews of important programs such as end-use monitoring (EUM) of defense articles and services and appreciates the opportunity to comment on this draft report. We believe the language used in the draft report at times overstates possible flaws in our EUM efforts. The primary method of analysis used for the audit consisted of contrasting unique serial numbers and quantities of NVDs listed in contracts, shipping documents, the Combined Security Transition Command-Afghanistan (CSTC-A) Operational Verification of Reliable Logistics Oversight Database (OVERLORD), and DSCA's SCIP database. Regarding DSCA, the report notes a discrepancy of 342 unique serial numbers listed in shipping documents, but not in the Security Cooperation Information Portal (SCIP). This discrepancy appears to be the basis for the entire report's conclusions that DSCA must provide improved oversight of U.S. Army Communications-Electronics Command (CECOM) and CSTC-A, as well as validation of the accuracy of NVD information in SCIP.

We disagree with the DoDIG's use of the shipping records as source documents of serial number information to determine improvement is needed in EUM oversight. We have found shipping documents are not always 100% accurate, resulting in incorrect data recorded by various entities. EUM policy requires 100% inventories of all NVDs, by serial number, within 90 days of delivery. These initial inspections have discovered numerous shipping document errors.

DSCA previously indicated to the DoDIG through informal correspondence, the 342 NVDs noted as a discrepancy between the SCIP database and the shipping documents were a result of the following:

- 100 NVDs on Pseudo-Foreign Military Sales (FMS) Case G5-B-UCA were shipped from the United States to Afghanistan on May 23, 2011, and were entered into SCIP database on July 11, 2011. Per Golden Sentry Program policy, the Security Cooperation Organizations (SCO) must conduct a 100% visual physical inventory and enter the NVD data in SCIP database within 90 days of delivery. All 100 serial numbers were entered into the SCIP database well within this 90 day window.
- 237 of the remaining 242 NVD discrepancies were part of 2,410 NVDs directly purchased by the Kabul Regional Contracting Center in May 2007, through local procurement using pseudo-FMS case B6-B-AAK. CSTC-A did not use the proper process for coordinating and approving NVD exports with DSCA, and as a result, DSCA did not become aware of the purchase until August 8, 2008. Immediately after becoming aware of the transfer, DSCA instructed CSTC-A to verify the NVD serial numbers through a 100% visual physical inventory and enter the serial number information into

SCIP database. CSTC-A verified the NVD serial numbers and entered this data into SCIP database on October 16, 2008. Discrepancies noted by the DoDIG were the result of either incorrect serial numbers listed in the shipping records or incorrect data entered into the SCIP database by CSTC-A and was corrected through normal verification via the EUM process.

- The remaining 5 discrepancies identified on pseudo-FMS case E3-B-UCA were verified by DSCA to be the result of manual data entry error by CSTC-A; these errors were corrected.

Currently, full accountability of 12,061 NVDs transferred to the Afghan National Security Forces (ANSF) via Pseudo-FMS cases in a war environment is being maintained by CSTC-A and DSCA. We will continue to work to improve our accountability procedures and welcome viable recommendations resulting from important audits such as this DoDIG report to maintain an effective EUM program in Afghanistan.

DSCA partially concurs with the report's recommendation that "the Director, DSCA, provide adequate oversight to verify that CECOM, the NATO Training Mission-Afghanistan (NTM-A) and CSTC-A properly implement procedures for inputting NVDs received and validating the accuracy of the NVD information in SCIP."

DSCA does not have direct oversight authority over CECOM or NTM-A/CSTC-A. DSCA will continue to work through the Department of the Army and the United States Central Command (CENTCOM) to enhance procedures used by CECOM and NTM-A/CSTC-A to ensure consistent monitoring of sensitive technologies such as NVDs. DSCA has implemented metrics to monitor accountability and progress of inventories performed by Security Cooperation Organizations worldwide, including CSTC-A. DSCA has also included language in the updated Chapter 8 of the Security Assistance Management Manual (SAMM) further delineating responsibilities regarding the input of serial numbers into SCIP and is pursuing an automated process to enhance accountability of equipment provided via FMS which requires enhanced-EUM (EEUM). DSCA will continue to monitor CSTC-A's compliance with DoD EUM policy through follow-on Compliance Assessment Visits (CAV). A CAV to Afghanistan is scheduled during the 2nd quarter of FY13 to assess CSTC-A's implementation of Golden Sentry Program policy and validate the accuracy of the NVD information in SCIP through inventories and physical security checks of storage facilities.

DSCA concurs with the DoDIG's recommendations to NTM-A/CSTC-A, particularly the use of SCIP as CSTC-A's accountability system for NVDs. Several of these findings were highlighted during a DSCA CAV in February 2011. Since the CAV report was published, DSCA has been working with CSTC-A to implement these recommendations to improve ANSF physical security and accountability of NVDs. In December 2011, CSTC-A notified DSCA that as of January 1, 2012, CSTC-A would utilize SCIP as its primary database for tracking NVDs instead of the local OVERLORD database.



Inspector General Department of Defense